

Testimony of the  
COMMUNITY ASSOCIATIONS INSTITUTE OF CONNECTICUT (CAI-CT)

Before the Insurance and Real Estate Committee

Tuesday, February 1, 2010

1:00 p.m.

**RAISED BILL NO. 6234: AN ACT CONCERNING ELECTIONS OF THE EXECUTIVE BOARDS OF DIRECTORS OF CONDOMINIUM UNIT OWNERS' ASSOCIATIONS AND CHANGES TO THE COMMON INTEREST OWNERSHIP ACT**

**Community Associations Institute - CT**

The Community Associations Institute - Connecticut (CAI-CT) is the state chapter of a National organization which serves to promote the best practices of community association operations. We seek to foster vibrant, competent, and harmonious community associations within our state. We d Community Associations Institute - Connecticut (CAI-CT) is a local organization dedicated to the ideals and principals of CAI. Our slogan of "Building the Best Communities in Connecticut" reflects our desire to foster vibrant, competent, and harmonious community associations within our state. We do this by providing educational programs, publications, and networking opportunities for both the communities and the businesses that serve them.

Our members are Community Association Volunteer Members and Leaders, Property Managers, and Business Professionals who provide good or services to community associations. CAI-CT maintains a professionally staffed office in Glastonbury. The organization is overseen by a Board of Directors comprised of volunteer members from the various segments of our membership..

**CAI-CT supports Raised Bill No. 6234**

The prohibition of the acceptance of goods or services by members of community association executive boards is a policy which CAI has promoted for many years. We strongly encourage the adoption of conflict of interest policies for all associations. Our basic level education course, which complies with Connecticut Public Act 06-23 which states 'community association board members and their property managers shall be educated about the operations of community associations,' includes details about ethics as part of the legal and management components.

As self-governed entities, community associations rely upon the commitment and concern of those who are willing to serve as volunteers on their association's board of directors. Although this can often be a thankless job, it is imperative that board members hold themselves to high.

ethical standards, as they are ultimately entrusted with the responsibility of managing the most important asset of their members – their dwellings. It is also incumbent upon the association members to hold their board members accountable by taking responsibility for being informed and working as a community to ensure their board members are representing the community's overall best interests.

As stated in CAI's Public Policies association members have the right to: "live in a responsive, competent, and harmonious community association governed by a reasonable, empathetic and impartial board of directors that treats each member with respect." Members are also responsible for: "complying with the governing documents of the community; volunteering to serve on association committees and on the board with a sense of goodwill and without any conflicts of interest; and endeavoring to continuously learn about their community association and to provide constructive input to promote the positive evolution of the community."

CAI has also produced a *Model Code of Ethics for Community Association Board Members*. (Attached you will find a copy.) It states: "Board Members should not accept any gifts – directly or indirectly – from owners residents, contractors or suppliers."

### **Summary**

Community associations, like any institution, government or corporation should have board members who adhere to high ethical standards in order to ensure long-term health and security for association residents.

We would be happy to further discuss with you this issue, or any others affecting common interest communities in Connecticut. Please do not hesitate to contact us with any questions or concerns. I can be reached at 860-633-5692 or email: [caictkmccclain@sbcglobal.net](mailto:caictkmccclain@sbcglobal.net).

# Model Code of Ethics for Community Association Board Members

This model code of ethics is not meant to address every potential ethical dilemma encountered by a community association board member, but is offered as a basic framework that can be modified and adopted by any common-interest community.

## Board members should:

- ❑ Strive at all times to serve the best interests of the association as a whole regardless of their personal interests.
- ❑ Use sound judgment to make the best possible business decisions for the association, taking into consideration all available information, circumstances and resources.
- ❑ Act within the boundaries of their authority as defined by law and the governing documents of the association.
- ❑ Provide opportunities for residents to comment on decisions facing the association.
- ❑ Perform their duties without bias for or against any individual or group of owners or non-owner residents.
- ❑ Disclose personal or professional relationships with any company or individual who has or is seeking to have a business relationship with the association.
- ❑ Conduct open, fair and well-publicized elections.
- ❑ Always speak with one voice, supporting all duly-adopted board decisions even if the board member was in the minority regarding actions that may not have obtained unanimous consent.

## Board members should not:

- ❑ Reveal confidential information provided by contractors or share information with those bidding for association contracts unless specifically authorized by the board.
- ❑ Make unauthorized promises to a contractor or bidder.
- ❑ Advocate or support any action or activity that violates a law or regulatory requirement.
- ❑ Use their positions or decision-making authority for personal gain or to seek advantage over another owner or non-owner resident.
- ❑ Spend unauthorized association funds for their own personal use or benefit.
- ❑ Accept any gifts—directly or indirectly—from owners, residents, contractors or suppliers.
- ❑ Misrepresent known facts in any issue involving association business.
- ❑ Divulge personal information about any association owner, resident or employee that was obtained in the performance of board duties.
- ❑ Make personal attacks on colleagues, staff or residents.
- ❑ Harass, threaten or attempt through any means to control or instill fear in any board member, owner, resident, employee or contractor.
- ❑ Reveal to any owner, resident or other third party the discussions, decisions and comments made at any meeting of the board properly closed or held in executive session.